



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0198	<b>Title:</b>	Teacher recruitment loan forgiveness program
<b>Primary Sponsor:</b>	Kitzenberg, Sam	<b>Status:</b>	As Introduced

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> Significant Local Gov Impact                | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input checked="" type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$357,291	\$656,079	\$957,690	\$959,349
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>(\$357,291)</u>	<u>(\$656,079)</u>	<u>(\$957,690)</u>	<u>(\$959,349)</u>

**Description of fiscal Impact:** The bill creates a teacher loan repayment assistance program for Montana teachers working in areas where there is a shortage of qualified teachers in specific subjects.

### FISCAL ANALYSIS

#### Assumptions:

1. In academic year 2005, MUS had 476 students graduate with teaching certificates and 358 of the graduates had loans averaging \$22,037.
2. Since this is a new program, it is hard to predict how many teachers might apply and qualify. The assumption is that approximately 100 teachers would qualify in the first year, and an additional 100 teachers would qualify in each ensuing year until a maximum of 300 teachers are applying each year.
3. The annual loan repayment assistance provided to teachers is assumed to be the maximum of \$3,000 per teacher for purposes of calculating this fiscal note. SB 198 allows a payment for one year to be "the lesser of 25% of the teacher's total unpaid, accumulated student loan debt in the first year of eligibility or \$3,000".
4. SB 198 provides assistance to any one teacher for a maximum of three years.

5. There will be additional costs associated with administering this new program. 1.00 FTE, grade 16, is requested to manage the program at a cost of \$52,116 for salary and benefits.
6. Related operating costs for the new FTE will be \$5,175.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	1.00	1.00	1.00	1.00
<b><u>Expenditures:</u></b>				
Personal Services	\$52,116	\$53,679	\$55,290	\$56,949
Operating Expenses	\$5,175	\$2,400	\$2,400	\$2,400
Grants	\$300,000	\$600,000	\$900,000	\$900,000
<b>TOTAL Expenditures</b>	<u>\$357,291</u>	<u>\$656,079</u>	<u>\$957,690</u>	<u>\$959,349</u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$357,291	\$656,079	\$957,690	\$959,349
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$357,291)	(\$656,079)	(\$957,690)	(\$959,349)

**Technical Notes:**

1. SB 198 is similar to the loan forgiveness program in the Governor's budget.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*